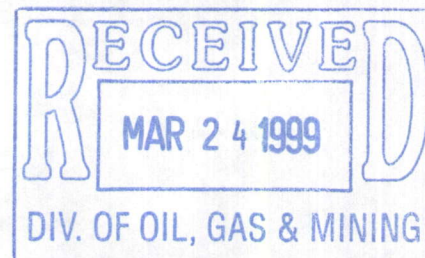


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/1997 To (mo./yr.) 12/1997
 2. DOGM File Number (Mine No): 1 1 5470066
 3. Mine Name: Diamond Mountain Resources
 4. Mineral(s) Mined (or permitted to mine): Limestone
 5. Type of mine ☒ Surface Mine or ☐ Underground Mine
 6. Legal Description (Location of Lands Affected):
SE 1/4, 1/4, SW 1/4, Section 16, Township 1 South, Range 22 East
1/4, 1/4, NE 1/4, Section 21, Township 1 South, Range 22 East
1/4, 1/4, NW 1/4, Section 22, Township 1 South, Range 22 East
 7. Name of Operator or Company: Deseret Generation & Transmission
 8. Permanent Street Address: 12500 East 25500 South
City, State, Zip: Vernal, Utah 84078-8525
Phone: 435-789-9000
 9. Company Representative (or designated operator):
Name: Jerry Hascell
Title: Operations Superintendent
Business Address: 12500 East 25500 South
City, State, Zip: Vernal, Utah 84078-8525
Phone: 435-781-5702
- ☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 2,000 Tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
In September of 1997 we opened a pit. The pit area was 135' x 135'. It was drilled and blasted to a depth of 20'. An old two track road was developed for about 1 mile. The raw tons mined was about 3,000 tons.
5. How much **additional** acreage was disturbed during the past year? 3 acres
6. How much acreage was **reclaimed** during the past year? 2 acres
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
Since this was a test bulk sample of the limestone we committed to the Forest Service to reclaim the road until we obtained an operating permit for long term use. The road was recovered and seeded to Forest Service specifications.
8. What is the **total** disturbed acreage of entire project at years end? 1 acre
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
We do not plan any reclamation next year. We plan to start mining the claim.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Jerry Hascall

Title of Operator:

Operations Superintendent

Signature of Operator:

Jerry Hascall

Date:

3/18/99